

# Elementary and Secondary Education

FY 2015 Revised and FY 2016  
Operating and Capital Budgets  
Staff Presentation  
April 29, 2015

## Summary By Program

	FY 2015 Enacted	FY 2015 Gov. Rev.	FY 2016 Governor
Aid Programs	\$1,004.0	\$1,005.9	\$1,066.3
Operations	235.2	239.0	229.2
School for the Deaf	6.8	6.9	7.4
Total ( <i>in millions</i> )	\$1,246.1	\$1,251.8	\$1,302.9

## Summary By Fund Source

<i>(In millions)</i>	<b>FY 2015 Enacted</b>	<b>FY 2015 Gov. Rev.</b>	<b>FY 2016 Governor</b>
General Revenues	\$1,004.4	\$1,003.6	\$1,067.3
Federal	208.5	213.8	203.0
Restricted Receipts	27.0	27.4	28.9
Other Funds	6.2	7.0	3.6
<b>Total</b>	<b>\$1,246.1</b>	<b>\$1,251.8</b>	<b>\$1,302.9</b>

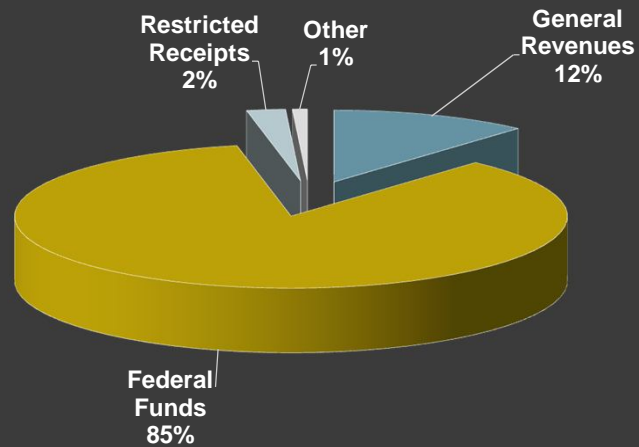
3

## Summary By Fund Source

<b>Change to Enacted</b>	<b>FY 2015 Gov. Rev.</b>	<b>FY 2016 Governor</b>
General Revenues	(\$0.8)	\$62.9
Federal	5.3	(5.5)
Restricted Receipts	0.4	2.0
Other Funds	0.8	(2.6)
<b>Total <i>(in millions)</i></b>	<b>\$5.7</b>	<b>\$56.8</b>

4

## FY 2016 Admin & School for Deaf



5

## Target Budget

- Budget Office provided a general revenue target of \$1,049.3 million
  - Current service adjustments of \$46.9 million
  - 7.5% reduction of \$2.0 million
- Constrained request is \$1.9 million above target

6

## Target Budget Request

Change to Enacted	FY 2016 Request	FY 2016 Constrain	Governor
Progressive Support & Intervention	\$2,500,000	\$ -	\$ -
Education Telecomm. Access Fund (E-rate)	\$600,000	\$ -	\$ -
U.S. Dept. of Justice Consent Decree	\$ -	(\$125,000)	(\$125,000)
School for the Deaf Layoffs	\$ -	(\$261,458)	\$ -

7

## Full-Time Equivalent Positions

	FTEs	Chg. To Enacted
Enacted Authorization	340.9	-
FY 2015 Rev. Request	344.4	3.5
FY 2015 Gov. Revised	344.4	3.5
FY 2016 Request	337.4	(3.5)
FY 2016 Governor	339.4	(1.5)
FY 2014 Average Filled	324.8	(16.1)
Filled as of April 4	310.0	(30.9)

8

## FY 2015 Rev. Changes - Aid Programs

Current law updates: \$533,930 less

- School Housing Aid: \$150,568 more
- Group Homes: \$75,000 more
- Teacher Retirement: \$524,347 less
- Education Aid Data Update - Charter Schools: \$110,896 less
- Textbook Loans: \$124,255 less

9

## FY 2016 Major Changes

Program <i>(in millions)</i>	Change to Enacted
Funding Formula	\$36.9
Central Falls	\$0.4
Met Career and Tech	(\$0.5)
Categorical Funds*	\$-
Group Home Aid	(\$1.0)
Textbook Reimbursement	(\$0.2)
Teacher Retirement	\$3.3
School Housing Aid	\$3.0
School Building Authority Fund	\$20.0
<i>*changes among funds</i>	

10

## FY 2016 Education Aid

- Fully funds fifth year of funding formula
  - \$826.1 million including Central Falls and the Met
- Uses June 2014 student enrollment data adjusted for FY 2016 projected charter school enrollments
  - Dept. will provide March enrollment data in April
- Assumes 2 new charter schools for 2015-2016 school year – received pre-approval
  - Final approval determined in May/June

11

## FY 2016 Education Aid

- 2010 Assembly adopted a funding formula effective for FY 2012
- Distributes aid to all districts, charter schools and the applicable state schools
- Based on principle: the money follows the student
- Includes:
  - Core instruction amount per pupil
  - Single poverty weight as a proxy of student support
  - State share ratio that considers the district's ability to generate revenues and its poverty concentration

12

## Full-Day Kindergarten

- ⦿ Article 6 adds language to require that each school district must offer full-day kindergarten to every eligible student to qualify for *any* state education aid
  - Beginning August 2016
  - Any aid – formula, categorical and/or school housing aid
- ⦿ Hearing was held on April 14

13

## Full-Day Kindergarten

- ⦿ 7 School districts currently do not offer full-day kindergarten
  - Coventry, Cranston, East Greenwich, Johnston, North Kingstown, Tiverton, and Warwick
- ⦿ These municipalities are considering 2015-2016 school year implementation
  - Reviewing options, but many details to work out

14

## Full-Day Kindergarten

- FY 2016 recommendation includes \$1.4 million transitional funding for full-day K
  - Assumes all 7 will implement this year
  - If fewer implement, may reduce amount
  - Requested amendment provides funding regardless of implementation
- Gov. also includes existing \$250,000 in FY 2016 for full-day Kindergarten start-up funding

15

## Central Falls

- Funded pursuant to funding formula
  - Was fully state supported prior to FY 2012
- \$39.4 million for FY 2016
  - \$0.4 million more than enacted
  - Includes \$3.7 million stabilization funding
- Shown as a separate appropriation line

16



## Metropolitan Career & Technical School

- ◉ Funded pursuant to funding formula
  - Local share of funding from districts that send students to the school
- ◉ \$10.0 million for FY 2016
  - \$0.5 million less than enacted
- ◉ Was fully state supported prior to FY 2012
  - Similar to Central Falls with a lump sum allocation

17

## Metropolitan Career & Technical School

- ◉ Met School funding has been shown as a separate appropriation line
- ◉ Request merged Met in the appropriation line with all other schools
  - Doesn't change the amount of funding
- ◉ Governor agrees with new presentation
- ◉ Central Falls remains separate line

18

## FY 2016 Changes - Aid Programs

Categorical Funds	FY 2016 Governor	Change to Enacted
High Cost Special Ed	\$2,500,000	\$1,000,000
Career and Technical	\$3,500,000	\$-
Early Childhood	\$3,950,000	\$1,000,000
Transportation	\$2,351,360	(\$2,000,000)
<b>Total</b>	<b>\$12,301,360</b>	<b>\$-</b>

19

## Categorical Funds

- High Cost Special Education
  - Excess costs related to high-cost special education students
  - Prorated to appropriation, based on costs
- Career and Technical Education
  - Help transform existing programs or create new programs; offset costs associated with facilities, equipment maintenance, repairs, and supplies
  - Prorated to appropriation, based on applications from public and state schools

20

## Categorical Funds

- Early Childhood
  - Used to increase access to voluntary, free, high quality pre-kindergarten programs
  - Distributed to pre-kindergarten sites selected through a request for proposals process
- Transportation
  - Funding provided to mitigate excess costs of transporting pupils to out-of-district non-public schools and within regional school districts
  - Funding split almost equally for both components

21

## Categorical Funds - Transportation

- Enacted budget includes \$4.4 million
- FY 2016 includes \$2.4 million
  - Funding for regionalized districts only
  - \$2.0 million less than enacted
- Funding was expected to increase annually as funding formula is phased in

22

## Article 6

- Governor's Article 6 removes requirement that municipalities provide transportation for students to non-public schools
  - Essentially shifts responsibility and cost to private schools
  - Municipalities may continue providing transportation, but no longer required

23

## Article 6

- Total cost of non-public transportation is almost \$5.0 million each year
  - State has been increasing its share
    - FY 2014: 30.6%, FY 2015: 49.0% of total
- Gov. includes no funding in FY 2016
- To fund at FY 2015 level: restore \$2.0 million
- Article hearing was on April 14

24

## Group Home Aid

- FY 2015 Revised
  - \$75,000 more for 5 additional beds
  - Based on 453 beds
- FY 2016 Budget
  - \$5.1 million, \$1.0 million less than enacted
  - Based on 431 beds
  - Funding reflects impact of group home beds on enrollment for funding formula
- Group Home aid based on number of beds open as of December 31

25

## FY 2016 Changes - Aid Programs

- Textbook Reimbursement
  - Article 6 eliminates requirement to provide textbooks for non-public school students and funding for the reimbursements allowed under the program
  - Removes \$240,000 from general revenues
- Teacher Retirement - \$92.8 million
  - \$3.3 million more than enacted based on FY 2016 planning values and payroll growth assumptions

26

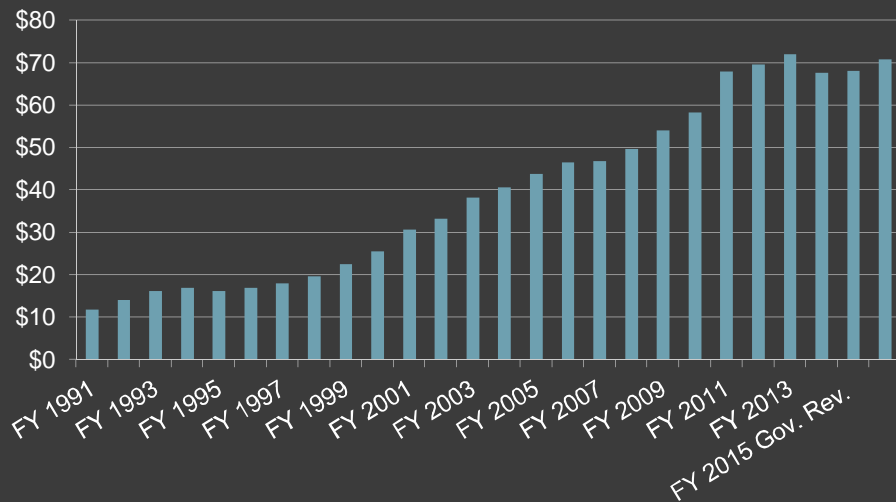
## FY 2016 Changes - Aid Programs

- Housing Aid - \$70.9 million
  - \$3.0 million more than enacted based on districts' estimations of when projects will be completed
  - 2011 Assembly instituted a 3-year moratorium on new approvals to end June 30, 2014
    - 2014 Assembly extended it to May 1, 2015

27

## School Housing Aid

Historical Expenditures (in millions)



28

## Housing Aid Overview

- ◉ Under current law:
  - State reimburses cities and towns for a share of school capital projects
  - Includes principal and interest
- ◉ State shares are based on a district's wealth compared to aggregate state wealth
  - Minimum state share is 35%
    - 21 communities for FY 2015
  - Charter schools are at 30%
- ◉ Reimbursed starting the fiscal year after completion of project

29

## FY 2016 Changes - Aid Programs

- ◉ Gov. proposes School Building Authority Fund
- ◉ Article 9 creates new Fund as a pay-go model to support school construction projects
  - Funding not specified in the article, but \$20.0 million from debt restructuring provided in FY 2016 to start the program
- ◉ Appears Governor's intent is for \$80.0 million total for housing aid, starting in FY 2017
  - Funding that is not required for existing program would be used for this new program
- ◉ Article hearing was April 28

30

## School Building Authority Fund

- Article 9 creates a School Building Authority within the Dept. to oversee both programs
- Creates advisory board - assist the Authority
- Fund to be administered by RIHEBC
  - Administers current school housing aid program
- Changes to RIHEBC Board
- Allows RIHEBC to levy fees on borrowers to pay for expenses, agreed upon in contract
  - Fees currently not levied

31

## School Building Authority Fund

- Provides different reimbursement rates
  - Applies to funding from this Fund only
- Currently:
  - Charters get 30%
  - Districts get state housing aid share ratio, 35% to 95.7% in FY 2015
- Proposed:
  - All get district's state housing aid share ratio, 35% minimum - Charters get same as host district

32



## School Building Authority Fund

- ⦿ Council on Elem. & Sec. Ed to approve projects prior to awards from this Fund
  - *Amendment would have Dept. set annual deadlines for applications and approvals*
  - Currently rolling applications and approvals
  - *Amendment adds Board of Ed to approve projects*
    - *Intent was Council approval, not Board of Ed*
- ⦿ Assembly approval not required for projects from this fund
  - Currently required in existing housing aid program

33

## School Building Authority Fund

- ⦿ Allows up to \$500,000 to be loaned without local voter approval
  - Currently local voter approval is required for all projects financed through RIHEBC
  - *Requested amendment clarifies this only applies if not forbidden by local charter*
  - Article 8 includes a one-year reprieve from voter approval; Article 9 includes it indefinitely

34

## School Building Authority Fund

- Governor includes 1.0 new position for School Building Authority in Dept.
  - Not funded; Coordinator to supervise the Authority
- *Amendment adds that costs for the Authority are to come from the Fund*
- *Amendment adds reporting requirements*
  - *List of funded communities and projects*
- *Amendment would require asset protection for all school buildings*

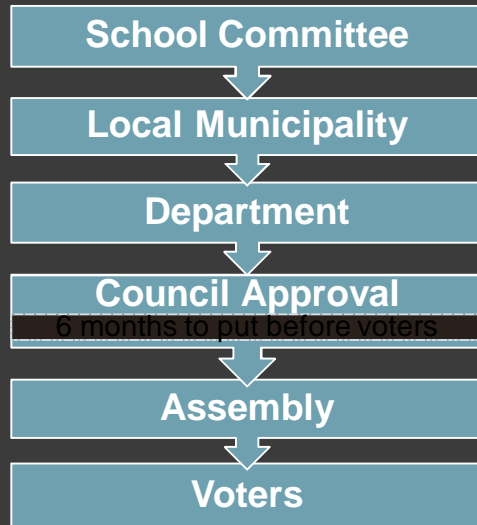
35

## School Housing Comparison

Component	Existing Housing Aid Program	School Building Authority Fund
Funds to Locals	Commences fiscal year after completion	Pay-as-you-go
Rate of State Assistance	Housing aid share ratio: 35% minimum, charters at 30%	Housing aid share ratio where school is located; all schools
Approvals Required	6 levels, incl. General Assembly	4 levels if up to \$0.5 million, 5 otherwise. No Assembly approval

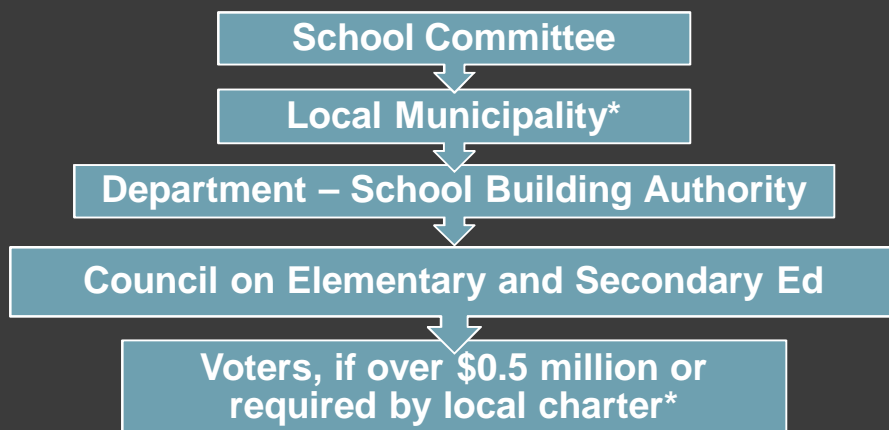
36

## Existing Program - Approval Process



37

## School Building Authority Fund Approval Process



\* Article 8 provides a 1-year reprieve

38

## School Building Authority Fund

- Impact to current program is unclear
- Continues to work as an entitlement
  - Unclear how will not exceed \$80 million/year if high demand and/or approvals
  - Appropriations needed to cover the projects
- New program subject to appropriation
  - Level of uncertainty from year to year
- Not clear what mechanisms will drive projects to one program or the other

39

## Education Telecommunications Access Fund (E-Rate)

- Designed to provide financial assistance for qualified libraries and schools to acquire, install, and use telecommunications technologies to access the Internet
- Supported by a \$0.26 monthly surcharge levied on each residence and business telephone line
- Request and budget assume increased surcharge revenue, though revenue has been declining
- Increased requests from LEAs and internet costs
  - Technology upgrades and Race to the Top funded projects increased availability and usage of internet

40

## Education Telecommunications Access Fund (E-Rate)

<i>(in millions)</i>	Enacted	FY 2015 Rev.	FY 2016 Request	FY 2016 Constrain Request	FY 2016 Gov.
General Revenues	\$0.4	\$0.4	\$1.0	\$0.4	\$0.4
Restricted	1.1	1.1	1.8	1.8	1.8
<b>Total</b>	<b>\$1.5</b>	<b>\$1.5</b>	<b>\$2.8</b>	<b>\$2.2</b>	<b>\$2.2</b>
FTEs	0.6	1.0	1.0	1.0	1.0

41

## Adult Education

<b>(In millions)</b>	<b>General Revenues</b>	<b>HRIC</b>	<b>Total</b>
FY 2013 Spent	\$2.0	\$3.5	\$5.5
FY 2014 Spent	\$2.0	\$3.8	\$5.8
FY 2015 Enacted	\$2.0	\$3.5	\$5.5
FY 2016 Governor	\$2.0	\$3.5	\$5.5
Change to Enacted	-	-	-

<b>Program</b>	<b>Approx. Students / Year</b>	<b>Percent</b>
GED, Pre-GED	1,500	25%
English Lang. Learners	3,000	50%
Low Level Literacy	1,500	25%

42

## Adult Education

- ◉ 2014 Assembly passed legislation allowing for waiver of GED test fee
- ◉ Enacted budget does not include funding
- ◉ Dept. drafted initial rules and regulations
- ◉ Anticipated a Feb. approval by Council on Postsecondary Education
  - Have been delays, not brought to Council yet
- ◉ Once approved, Dept. can issue waivers
- ◉ Dept. has not identified the source of funding for the waivers or identified what existing services to reduce to support the costs

43

## Transition Grant to Channel 36

- ◉ 2012 Assembly provided state support to RI Public Telecommunications Authority through June 30, 2013
- ◉ Funding in FY 2014 and 2015 to assist in transition from state agency to control of the RI PBS Foundation
  - FY 2014: \$300,000; FY 2015: \$250,000
- ◉ Gov. provides \$250,000 gen. rev. for FY 2016
  - Appears based on a request from RIPBS
  - Appears intent was for \$200,000, total of \$750,000

44

## Progressive Support and Intervention

- ◉ Unconstrained request to restore \$2.5 million in general revenue funding
- ◉ In FY 2012, \$2.7 million was eliminated because of overlap with Race to the Top
- ◉ Support to state's lowest performing schools, new teachers, and to track indicators of progress
- ◉ Governor does not add funding

45

## New Teacher Diversity Initiative

- ◉ Budget documents refer to a new program to focus Dept. efforts to recruiting a more diverse pool of educators
  - Reflect demographics of pupils in high need communities
  - Gov. includes \$250,000 from gen. rev.
    - Appears to be for awards to approved teacher prep programs
- ◉ Does not include legislation or additional info on scope or duration of program
- ◉ Teachers are hired at discretion of districts, except for the state schools

46

## Race to the Top - Federal Funds

FY 2011 Spent	FY 2012 Spent	FY 2013 Spent	FY 2014 Spent	FY 2015 Gov. Rev.	FY 2016 Gov.	Total
\$1.6	\$17.6	\$26.7	\$19.7	\$9.3	\$0.2	\$75.0
<i>(in millions)</i>						

- 50% of grant goes to districts
  - Only for activities in the approved state grant application
- State share used for personnel and to build infrastructure and support systems

47

## Race to the Top - Positions

Staffing Changes	Federally Funded	General Revenues	Total Positions
FY 2014 Enacted	-	-	22.0
FY 2015 Enacted	(16.5)	-	5.5
FY 2015 Gov. Revised	3.5	-	9.0
FY 2016 Governor	(9.0)	3.0	3.0

- Include transformation specialists, data managers, analysts, grant management, and clerical support
- Work with school districts to develop budgets and work plans, oversee Department's performance management process, data collection & analysis, and administrative support

48



## Race to the Top - Positions

- Department requested 3.0 positions to continue Race to the Top programs
  - \$0.3 million from general revenues
  - Assumes \$0.1 million in turnover savings
- Governor recommends them as requested

Position Title	Positions	Funding
Performance Management	1.0	\$72,491
Data Systems Administrator	1.0	\$104,843
Education Specialist	1.0	\$102,145
<b>Total</b>	<b>3.0</b>	<b>\$279,479</b>

49

## Salaries & Benefits: Administration

- FY 2015: \$18.8 million for 148.4 positions
  - \$11.6 million or 61.7% from general revenues
  - \$0.5 million less than enacted, including \$0.2 million less from general revenues
  - Salary, benefit, and cost-of-living adjustments
    - Including statewide medical benefit savings
  - Assumes \$1.3 million in turnover savings
    - Assumes 9 vacancies for the full year
    - \$0.5 million more than enacted

50

## Salaries & Benefits: Administration

- FY 2016: \$19.8 million for 152.4 positions
  - \$12.7 million or 64% from general revenues
  - \$0.4 million more than enacted, including \$0.9 million more from general revenues
  - Salary, benefit, and cost-of-living adjustments
  - Assumes \$1.4 million in turnover savings
    - \$0.6 million more than enacted
  - Funds 143.2 positions
    - 90.1 from general revenues

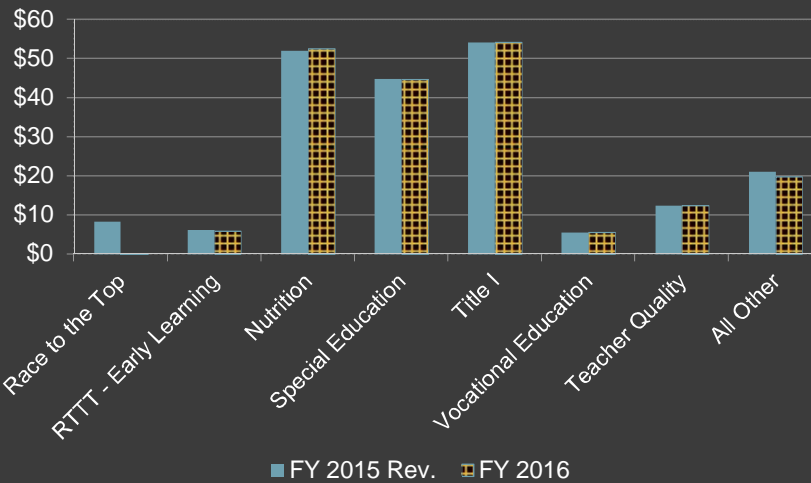
51

## Race to the Top- Early Learning Challenge

- \$50.0 million over 4 years and 13 FTEs
  - \$7.9 million in FY 2015; \$7.2 million in FY 2016
- Improve education for pre-school students
  - Develop high quality programs
  - Promote early learning and development outcomes
- Grant also involves funding and positions in human service agencies
  - 21.5 positions state wide

52

## Federal Grants - In Millions



53

## School for the Deaf

- Purpose: furnish the state's deaf children a system of free appropriate public education and serve as a resource to school districts with deaf or hard of hearing children
- School for the Deaf is not funded through funding formula
  - State supports core program
  - Sending districts billed for services that fall outside the core program

54

## School for the Deaf

	FY 2015 Enacted	FY 2015 Gov. Rev.	FY 2016 Request	FY 2016 Governor
General Revenues	\$5.9	\$5.9	\$6.2	\$6.3
Federal Funds	0.3	0.4	0.3	0.3
Restricted Receipts	0.5	0.6	0.8	0.8
<b>Total (in millions)</b>	<b>\$6.8</b>	<b>\$6.9</b>	<b>\$7.2</b>	<b>\$7.3</b>
FTEs	60.0	60.0	59.0	60.0

- 66 students
  - 64 from Rhode Island
  - 2 from out of state – tuition charged

55

## School for the Deaf – All funds

- Salaries and Benefits
  - \$6.3 million for 60.0 full-time positions
  - Gov. funds 57 positions; 51 filled on 3/31
- Specialized Care Services
  - \$0.5 million - contracted services from speech pathologists, behavior specialists, and personal care attendants
- Other Operations
  - \$0.5 million - utilities, office costs, maintenance

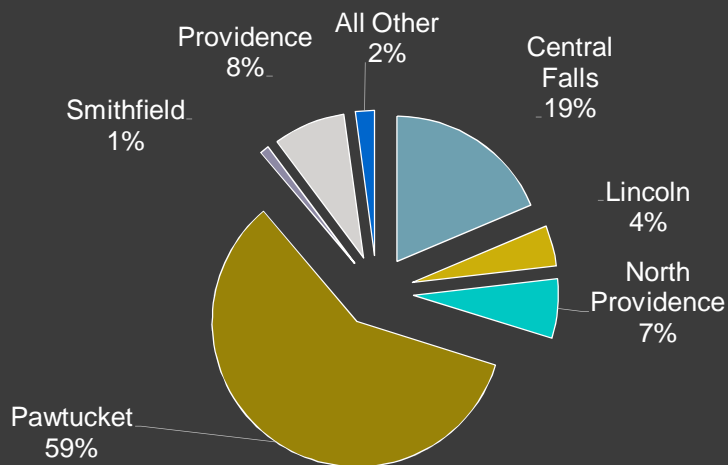
56

## Davies Career & Technical School

- Four-year high school - students apply
- 875 students as of June 2014
- Funded pursuant to funding formula
  - State aid determined through funding formula
  - Local share of funding from districts that send students to the school
    - Flow into a restricted receipt account to partially offset the loss of state aid
- Had been fully state supported prior to FY 2012

57

## Davies Career & Technical School



58

## Davies Career & Technical School

	FY 2015 Enacted	FY 2015 Gov. Rev.	FY 2016 Governor	2016 Gov. to Enacted
General Revenues	\$12.2	\$12.2	\$11.7	(\$0.6)
Federal Funds	1.4	1.5	1.3	(0.0)
Restricted Receipts	4.1	4.1	4.3	0.2
<b>Total (in millions)</b>	<b>\$17.7</b>	<b>\$17.8</b>	<b>\$17.3</b>	<b>(\$0.4)</b>
FTEs	126.0	126.0	126.0	-

- General revenue reduction is from formula aid calculation
- 126.0 positions, 121.0 filled as of April 9

59

## Career & Tech - RICF

Project	Total Cost (in millions)	Start Date	End Date
Cranston*	\$3.3	FY 2010	FY 2015
Warwick	\$3.1	FY 2013	FY 2017
Woonsocket	\$3.2	FY 2013	FY 2017

\* Transfer agreement in place

60

## Davies - RICF

<b>Project</b>	<b>Total Cost (in millions)</b>	<b>Start Date</b>	<b>End Date</b>
Davies HVAC	\$5.1	FY 2006	FY 2015
Davies Asset Protection	\$2.8	Perpetual	

61

## Met School- RICF

<b>Project</b>	<b>Total Cost (in millions)</b>	<b>Start Date</b>	<b>End Date</b>
East Bay Campus	\$8.8	FY 2006	FY 2015
Met HVAC	\$2.5	FY 2011	FY 2015
Met Asset Protection	\$1.2	Perpetual	

62

## Ongoing COPS Projects

<b>Project</b>	<b>Total Cost (in millions)</b>	<b>Start Date</b>	<b>End Date</b>
New School for the Deaf	\$29.7	FY 2009	FY 2015
LEA Technology Infrastructure	\$19.8	FY 2013	FY 2015
Comprehensive Education Info. System	\$3.0	FY 2006	FY 2017

63

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64